

COMPANY WESGRO OIL CORPORATION

LEASE _____ WELL NO. 52

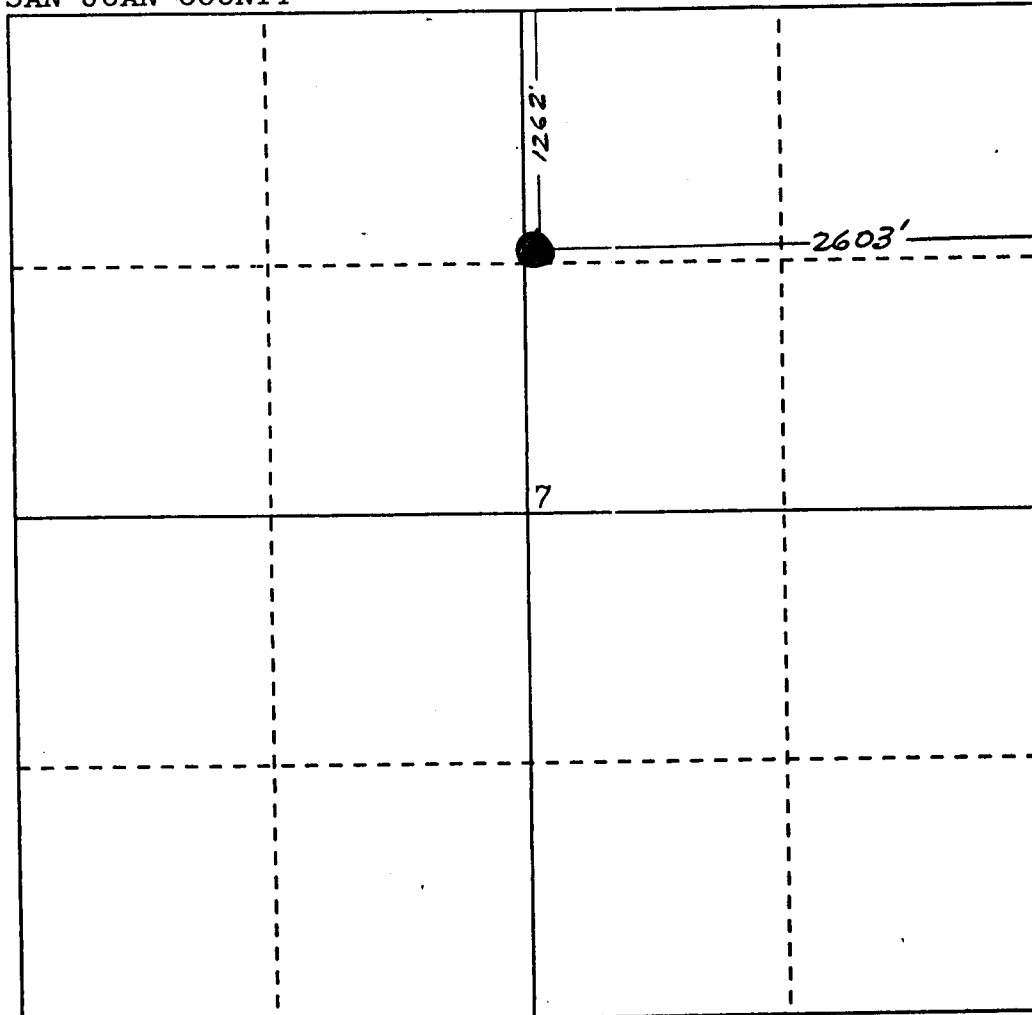
SEC. 7 T 42 SOUTH R 19 EAST, S.L.M.

LOCATION 1262 FEET FROM THE NORTH LINE and
2603 FEET FROM THE EAST LINE.

ELEVATION 4271

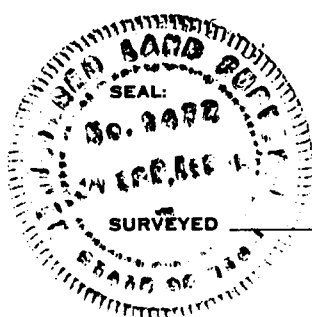
SAN JUAN COUNTY

UTAH



SCALE - 1 INCH EQUALS 1000 FEET

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



James P. Leese
Registered Land Surveyor.
James P. Leese
Utah Reg, No. 1472

26 June , 19 88

Wesgra Corporation
Well No. Gebauer-Groom 52
NWNE Sec. 7, T. 42 S., R. 19 E.
San Juan County, Utah
U-7303

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that Wesgra Corporation is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by BLM Bond UT0251 (Principal - Wesgra Corporation) via surety consent as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

A. DRILLING PROGRAM

All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, Onshore Oil and Gas Order No. 2 and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions and the approved plan will be made available to the field representative to insure compliance.

1. 500 lb pressure valve shall be tested according to Onshore Order No. 2. See Informational Attachment.
2. Casing and cementing requirements shall comply with Onshore Order No. 2 requirements. See Informational Attachment.

B. STIPULATIONS

1. All permanent above-ground facilities (6 months or longer) would be painted a neutral, nonreflective SAND color to blend into the surrounding area, except for those required to comply with the Occupational Safety and Health Act or written company safety manual or documents.

2. All site security guidelines identified in 43 CFR 3162.7-5 and ONSHORE OIL AND GAS ORDER NO. 3; SITE SECURITY will be adhered to.

3. Gas measurement will be conducted in accordance with the ONSHORE OIL AND GAS ORDER NO. 5; GAS MEASUREMENT and 43 CFR 3162.7-3.

4. Oil measurement will be conducted in accordance with ONSHORE OIL AND GAS ORDER NO. 4; OIL MEASUREMENT and 43 CFR 3162.7-2.

5. No chrome compounds will be on location.

6. As soon as the reserve pit has dried or within eighteen months whichever is least, all areas not needed for production (including access road) will be filled in, recontoured to approximately natural contours and as much top soil as was removed, replaced leaving enough for future restoration. The remaining top soil (if any) will be stabilized and seeded in place. If the well is a dry hole, the location and access road will be rehabilitated totally.

7. After rehabilitation of the site the area will be seeded with six (6) lbs/acre of Fourwing saltbush or with six (6) lbs/acre of shadscale. The seed will be broadcast followed by a light harrowing.

8. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO).

Within five working days the AO will inform the operator as to:

- whether the materials appear eligible for the National Register of Historic Places;
- the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and,
- a timeframe for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

9. This permit will be valid for a period of one (1) year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

10. If at any time the facilities located on public lands authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change) the BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental, or other financial obligation determined by the authorized officer.

- 2000 psi BOP & BOPE:

Annular preventer, or double rams, or two rams with one being blind and one being a pipe ram

Kill line (2 inch minimum)

1 kill line valve (2 inch minimum)

1 choke line valve

2 chokes

Upper kelly cock valve with handle available

Safety valve and subs to fit all drill strings in use

Pressure gauge on choke manifold

2 inch minimum choke line

Fill-up line above the uppermost preventer

- If repair or replacement of the BOPE is required after testing, this work shall be performed prior to drilling out the casing shoe.

- When the BOPE cannot function to secure the hole, the hole shall be secured using cement, retrievable packer or bridge plug packer, bridge plug or other acceptable approved methods to assure safe well conditions.

- Choke Manifold Equipment:

All choke lines shall be straight lines unless turns use tee blocks or are targeted with running tees, and shall be anchored to prevent whip and reduce vibration.

All valves (except chokes) in the kill line, choke manifold and choke line shall be a type that does not restrict the flow (full opening) and that allows a straight through flow.

Pressure gauges in the well control system shall be a type designed for drilling fluid service.

- 2000 psi system - Accumulator Equipment:

Accumulator shall have sufficient capacity to close all BOP's and retain 200 psi above precharge. Nitrogen bottles that meet manufacturer's specifications may be used as the backup to the required independent power source.

- Special Drilling Operations:

In addition to the equipment already specified elsewhere in Onshore Order No. 2 , the following equipment shall be in place and operational during air/gas drilling:

- Properly lubricated and maintained rotating head;
- Spark arresters on engines or water cooled exhaust;
- Blooie line discharge 100 feet from well bore and securely anchored;
- Straight run on blooie line unless otherwise approved;
- Deduster equipment;
- All cuttings and circulating medium shall be directed into a reserve or blooie pit;
- Float valve above bit;
- Automatic igniter or continuous pilot light on the blooie line;
- Compressors located in the opposite direction from the blooie line a minimum of 100 feet from the well bore;
- Mud circulating equipment, water, and mud materials (does not have to be premixed) sufficient to maintain the capacity of the hole and circulating tanks or pits.

- Mud Program Requirements:

The characteristics, use and testing of drilling mud and the implementation of related drilling procedures shall be designed to prevent the loss of well control. Sufficient quantities of mud materials shall be maintained or readily accessible for the purpose of assuring well control.

-Record slow pump speed on daily drilling report after mudding up.

-Visual mud monitoring equipment shall be in place to detect volume changes indicating loss or gain of circulating fluid volume.

-A mud test shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, filtration, and pH.

-All flare systems shall be designed to gather and burn all gas. The flare line(s) discharge shall be located not less than 100 feet from the well head, having straight lines unless turns are targeted with running tees, and shall be positioned downwind of the prevailing wind direction and shall be anchored. The flare system shall have an effective method for ignition. Where non-combustible gas is likely or expected to be vented, the system shall be provided supplemental fuel for ignition and to maintain a continuous flare.

- Drill Stem Testing Requirements:

Initial opening of drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the authorized officer. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the authorized officer. Closed chamber DSTs may be accomplished day or night.

-A DST that flows to the surface with evidence of hydrocarbons shall be either reversed out of the testing string under controlled surface conditions, or displaced into the formation prior to pulling the test tool. This would involve providing some means for reverse circulation.

-Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

-All engines within 100 feet of the wellbore that are required to "run" during the test shall have spark arresters or water cooled exhausts.

When testing the kill line valve(s), the check valve shall be held open or the ball removed.

Pipe and blind rams shall be activated each trip, however this function need not be performed more than once a day

Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.

A BOPE pit level drill shall be conducted weekly for each drilling crew.

Pressure tests shall apply to all related well control equipment.

All of the above described tests and/or drills shall be recorded in the drilling log.

- Casing and Cementing:

All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

All casing, except the conductor casing, shall be new or reconditioned and tested used casing that meets or exceeds API standards for new casing.

The surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing.

All of the above described tests shall be recorded in the drilling log.

All indications of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging orders are requested, whichever occurs first.

Surface casing shall have centralizers on at least the bottom three joints depending on the severity of hole inclination.

Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc. shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.

All casing strings below the conductor shall be pressure tested to 0.22 psi/ft. of casing string length or 1500 psi, whichever is greater, but not to exceed 70 percent of the minimum internal yield. If pressure declines more than 10 percent in 30 minutes, corrective action shall be taken.

Accumulator precharge pressure test: This test shall be conducted prior to connecting the closing unit to the BOP stack and at least once every 6 months.

Power for the closing unit pumps shall be available to the unit at all times so that the pumps shall automatically start when the closing unit manifold pressure has decreased to a pre-set level.

Each BOP closing unit shall be equipped with sufficient number and sizes of pumps so that, with the accumulator system isolated from service, the pumps shall be capable of opening the hydraulically-operated gate valve (if so equipped), plus closing the annular preventer on the smallest size drill pipe to be used within 2 minutes, and obtain a minimum of 200 psi. above specified accumulator precharge pressure.

A manual locking device (i.e., hand wheels) or automatic locking devices shall be installed on all systems of 2M or greater. A valve shall be installed in the closing line as close as possible to the annular preventer to act as a locking device. This valve shall be maintained in the open position and shall be closed only when the power source for the accumulator system is inoperative.

- BOP Testing:

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70 percent of internal yield pressure of casing if BOP is not isolated from casing. Pressure tests on ram type preventers shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed off of pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10 percent in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test of BOP stack.

Annular BOP pressure tests shall be tested to 50 percent of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

As a minimum, the above tests shall be performed:

**When initially installed;

**Whenever any seal subject to test pressure is broken;

**Following related repairs; and

**At 30 day intervals.

Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.

TABLE 1

NOTIFICATIONS

Notify Mike Wade of the San Juan Resource Area, at
(801) 587-2141 for the following:

2 days prior to commencement of dirt work, construction or reclamation;

1 day prior to spudding;

1 day prior to running and cementing surface casing;

1 day prior to pressure testing of BOPE and/or surface casing.

Notify the Moab District Office, Branch of Fluid Minerals at (801) 259-6111
for the following:

No well abandonment operations will be commenced without the prior approval of the Assistant District Manager, Mineral Resources. In the case of newly drilled dry holes, and in emergency situations, verbal approval can be obtained by calling the following individuals, in the order listed:

Dale Manchester, Petroleum Engineer Office Phone: (801) 259-6111

Home Phone: (801) 259-6239

Eric Jones, Petroleum Engineer Office Phone: (801) 259-6111

Home Phone: (801) 259-2214

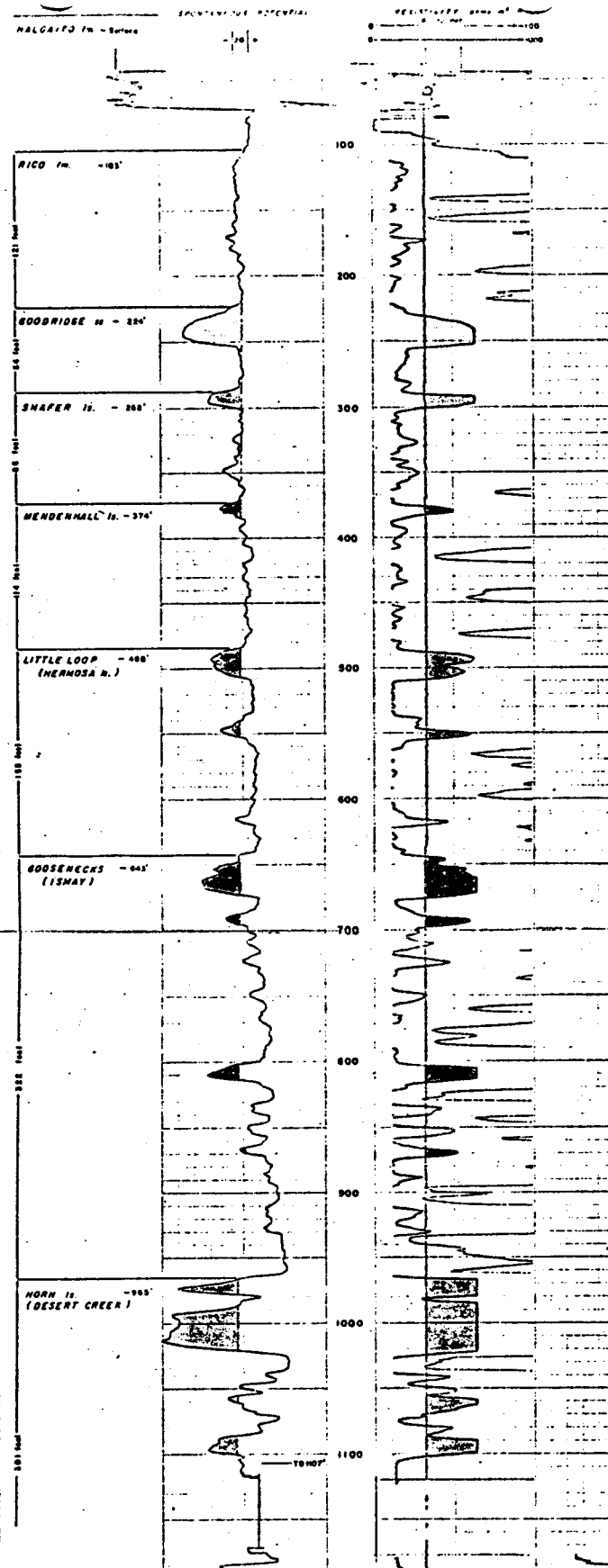
If unable to reach the above individuals including weekends, holidays, or after hours, please call the following:

Lynn Jackson, Chief, Branch of Fluid Minerals

Office Phone: (801) 259-6111

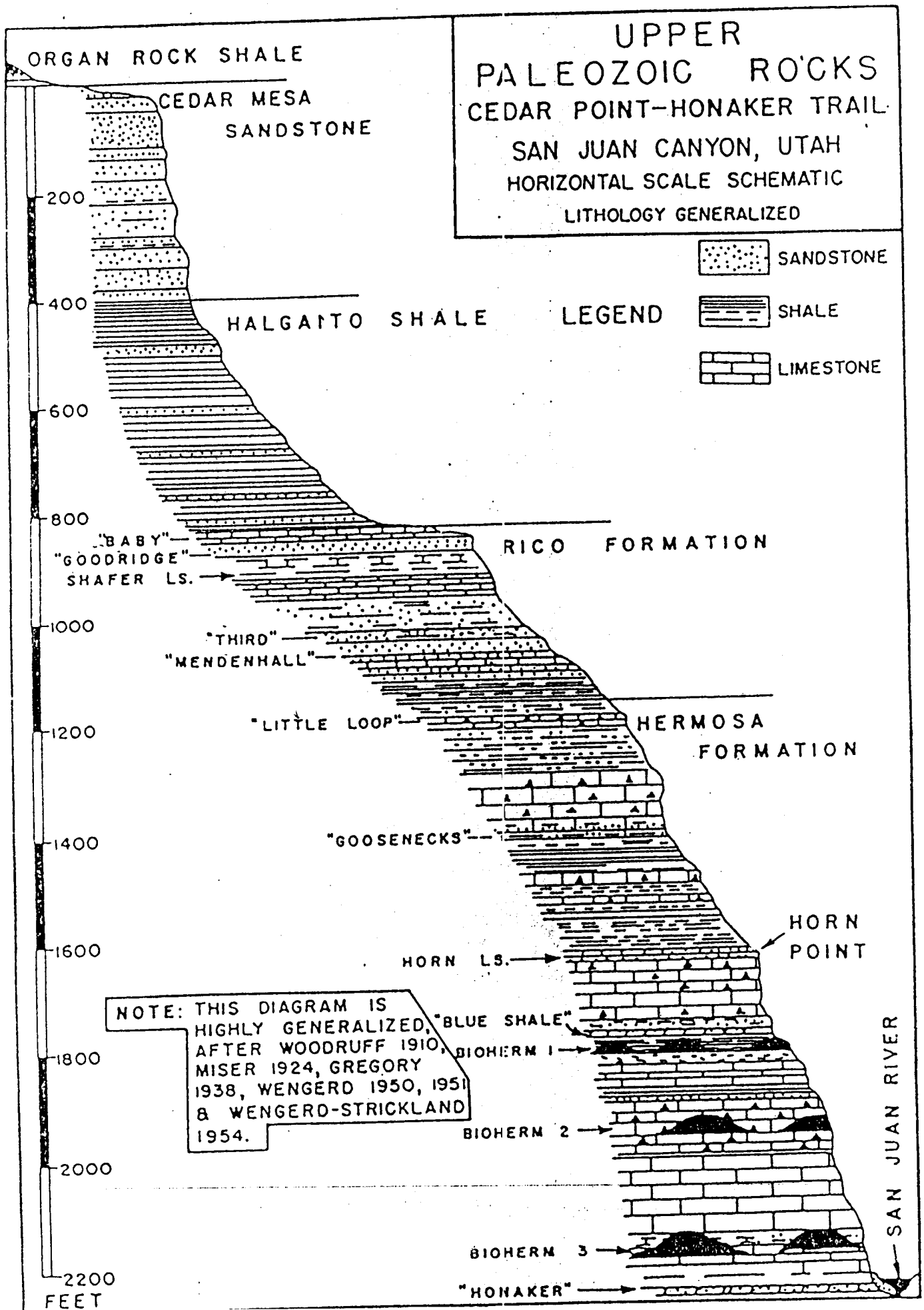
Home Phone: (801) 259-7990

24 HOURS ADVANCE NOTICE IS REQUIRED FOR ALL ABANDONMENTS.

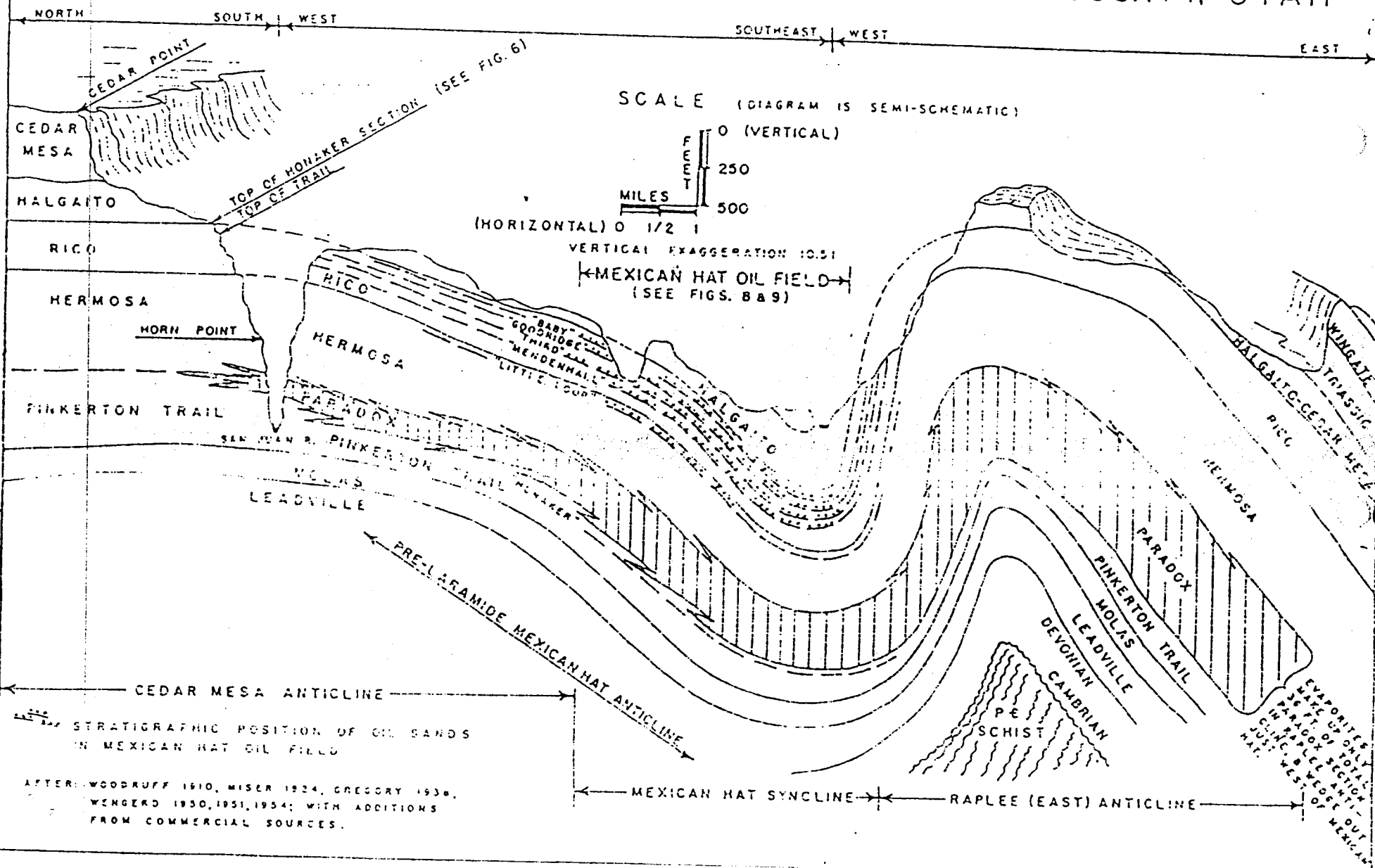


SHIPROCK OIL AND GAS CORPORATION
NO. 1 DEWATER
MEXICAN HAT AREA
SAN JUAN COUNTY, UTAH
SENE SEC 7 - T4S, R19E
1010' PNL, 820' PNL
ELEV. 4200' 5-6

EXHIBIT b



CROSS SECTION-MEXICAN HAT AREA, SAN JUAN COUNTY, UTAH

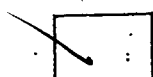


OPERATOR Alusqua Corporation N-10100 DATE 11-07-90
WELL NAME Gibson-Groom 50
SEC N10E 7 T 40S R 19E COUNTY San Juan

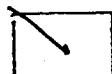
43-037-31579
API NUMBER

Actual (1)
TYPE OF LEASE

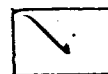
CHECK OFF:



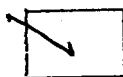
PLAT.



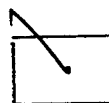
BOND



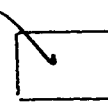
NEAREST
WELL



LEASE



FIELD



POTASH OR
OIL SHALE

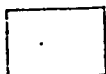
PROCESSING COMMENTS:

Water Permit

Re-approved in USIS foundation - exception location.

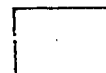
APPROVAL LETTER:

SPACING:



R615-2-3

N/A
UNIT



R615-3-2



156-3 4-15-80
CAUSE NO. & DATE



R615-3-3

STIPULATIONS:

1- Needs Water Permit



Norman H. Bangerter

Governor

Dee C. Hansen

Executive Director

Dianne R. Nielson, Ph.D.

Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

801-538-5340

November 25, 1990

Wesgra Oil Corporation
P. O. Box 367
Mexican Hat, Utah 84531

Gentlemen:

Re: Gebauer-Groom 52 - NW NE Sec. 7, T. 42S, R. 19E - San Juan County, Utah
1262' FNL, 2603' FEL

Approval to drill the referenced well is hereby granted in accordance with the Order of Cause No. 156-3 dated April 15, 1980 subject to the following stipulation:

1. Prior to commencement of drilling, receipt by the Division of evidence providing assurance of an adequate and approved supply of water as required by Chapter 3, Title 73, Utah Code Annotated.

In addition, the following actions are necessary to fully comply with this approval:

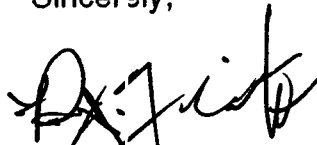
1. Spudding notification within 24 hours after drilling operations commence.
2. Submittal of an Entity Action Form within five working days following spudding and whenever a change in operations or interests necessitates an entity status change.
3. Submittal of the Report of Water Encountered During Drilling, Form 7.
4. Prompt notification if it is necessary to plug and abandon the well. Notify R. J. Firth, Associate Director, (Office) (801) 538-5340, (Home) 571-6068, or Jim Thompson, Lead Inspector, (Home) 298-9318.
5. Compliance with the requirements of Rule R615-3-20, Gas Flaring or Venting, Oil and Gas Conservation General Rules.

Page 2
Wesgra Oil Corporation
Gebauer-Groom 52
November 25, 1990

6. Prior to commencement of the proposed drilling operations, plans for facilities for disposal of sanitary wastes at the drill site shall be submitted to the local health department. These drilling operations and any subsequent well operations must be conducted in accordance with applicable state and local health department regulations. A list of local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 538-6121.
7. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-037-31579.

Sincerely,



R. J. Pirth
Associate Director, Oil & Gas

tas
Enclosures
cc: Bureau of Land Management
J. L. Thompson
we14/1-18

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIP
(Other instructio.
verse side)

ATE
3 re-

FORM APPROVED
OMB NO. 1004-0135
Expires: September 30, 1990

5. LEASE DESIGNATION AND SERIAL NO.

U-7303

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Gebauer-Groom

9. WELL NO.

52

10. FIELD AND POOL, OR WILDCAT

Mexican Hat

11. SEC., T., R., M., OR BLK. AND
SURVEY OR AREA

Sec 7, 42S, 19E

12. COUNTY OR PARISH

San Juan

13. STATE

Utah

1.

OIL
WELL ☒ GAS
WELL ☐ OTHER ☐

2. NAME OF OPERATOR

Wesgra Corporation

3. ADDRESS OF OPERATOR

P.O. Box 367, Mexican Hat, Utah 84531

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*

See also space 17 below.)

At surface

1262' from the north line

2603 from the east line

14. PERMIT NO.

43-037-31579

15. ELEVATIONS (Show whether DF, ST, GR, etc.)

4371'

16.

Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

☐
☐
☐
☐

PULL OR ALTER CASING

☐
☐
☐
☐

FRACTURE TREAT

MULTIPLE COMPLETE

SHOOT OR ACIDIZE

ABANDON*

REPAIR WELL

CHANGE PLANE

(Other)

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

☐
☐
☐
☐

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other)

extend APD

REPAIRING WELL

ALTERING CASING

ABANDONMENT*

☐
☐
☐
☐

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Asking for an extension of APD for Gebauer-Groom well 52

RECEIVED

AUG 14 1991

DIVISION OF
OIL GAS & MINING

18. I hereby certify that the foregoing is true and correct

SIGNED

H. E. Sker

TITLE

President

DATE

8-9-91

(This space for Federal or State office use)

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE:

8-22-91

*See Instructions on Reverse Side

BY:

M. J. [Signature]

UTAH DIVISION OF OIL, GAS & MINING
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: September 30, 1990

SUBMIT IN TRIPLICATE
(Other instructions on reverse side)

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. U-1303	
2. NAME OF OPERATOR Wesgra Corp		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
3. ADDRESS OF OPERATOR P.O. Box 310-367 Mexican Hat, Utah 84531		7. UNIT AGREEMENT NAME	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 1262' from the north line 2603' from the east line		8. FARM OR LEASE NAME Gebauer-Groom	
14. PERMIT NO. 43-037-31579		9. WELL NO. 52	
15. ELEVATIONS (Show whether DF, RT, CR, etc.) 4371'		10. FIELD AND POOL, OR WILDCAT Mexican Hat	
		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec 7, 42S, 19E	
		12. COUNTY OR PARISH San Juan	
		13. STATE Utah	

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

PULL OR ALTER CASING

FRACTURE TREAT

MULTIPLE COMPLETION

SHOOT OR ACIDIZE

ABANDON*

REPAIR WELL

CHANGE PLANS

(Other) to deepen

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

REPAIRING WELL

FRACTURE TREATMENT

ALTERING CASING

SHOOTING OR ACIDIZING

ABANDONMENT*

(Other)

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Asking permission to take Gebauer-Groom 52 down to the desert creek zone, between 1200 and 1300 ft.

Thanks

RECEIVED

SEP 16 1991

DIVISION OF
OIL GAS & MINING

18. I hereby certify that the foregoing is true and correct

SIGNED W.E. Sklen

TITLE President

DATE 9-10-91

(This space for Federal or State office use)

APPROVED BY _____
CONDITIONS OF APPROVAL, IF ANY:

TITLE _____

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE: 10/3/91

BY: J.P. Matthews

WELL SPACING: 615-3-3

*See Instructions on Reverse Side

WESGRA CORPORATION
OIL & GAS PRODUCERS
P.O. BOX 367
MEXICAN HAT, UTAH 84531

September 27, 1991

Department of Natural Resources
Division of Oil, Gas, & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Re : No. 52 Gebauer Groom
NWNE 7 -42S-19E SLM

43-037-215-79

Gentlemen;

Wesgra requests an exception to the State of Utah,s spacing requirements due to topography. The area is fairly rugged with buttes and mesas and canyon valleys.

In addition BLM granted to the Town of Mexican Hat the right to use some of the flat surface for its Septic lagoons in the valley flats. Mexican Hat has an proposal to expand it,s present lagoons to the south and east which precludes Wesgra from making a standard location. This coupled with the topography and paucity of flat land make a standard location almost impossible.

Very truly yours,

Robert E. Lauth

Robert E. Lauth
Geologist for Wesgra

ACCEPTED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE:

10/1/91

BY:

J. Matthews

P.S. Wesgra has the lease covering N/2 of Sec 7-42S-19E

RECEIVED

SEP 30 1991

DIVISION OF
OIL GAS & MINING

DIVISION OF OIL, GAS AND MINING

API NO. 43-037-31579

SPUDDING INFORMATION

NAME OF COMPANY: WESGRA CORPORATION

WELL NAME: GEBAUER-GROOM #52

SECTION NWNE 7 TOWNSHIP 42S RANGE 19E COUNTY SAN JUAN

DRILLING CONTRACTOR QUALITY DRILLING

RIG # 1

SPUDDED: DATE 10-2-91

TIME

How ROTARY

DRILLING WILL COMMENCE

REPORTED BY BILL SKEEN

TELEPHONE # 683-2298

DATE 10-2-91 SIGNED TAS



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangarter
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

October 3, 1991

Wesgra Corporation
P. O. Box 310-367
Mexican Hat, Utah 84531

Gentlemen:

Re: Gebauer-Groom #52 Well, 1262 feet from the North line, 2603 feet from the East line, NW NE, Section 7, Township 42 South, Range 19 East, San Juan County, Utah

Approval to drill (deepen) the referenced well is hereby granted in accordance with Utah Admin. R.615-3-3, subject to the following stipulation:

1. Prior to commencement of drilling, receipt by the Division of evidence providing assurance of an adequate and approved supply of water as required by Utah Code Ann. Section 73-3, Appropriation.

In addition, the following actions are necessary to fully comply with this approval:

1. Spudding notification within 24 hours after drilling operations commence.
2. Submittal of Entity Action Form 6, within five working days following spudding and whenever a change in operations or interests necessitates an entity status change.
3. Submittal of the Report of Water Encountered During Drilling, Form 7.
4. Prompt notification in the event it is necessary to plug and abandon the well. Notify Frank R. Matthews, Petroleum Engineer, (Office) (801) 538-5340, (Home) (801) 476-8613, or R. J. Firth, Associate Director, (Home) (801) 571-6068.
5. Compliance with the requirements of Utah Admin. R.615-3-20, Gas Flaring or Venting.

Page 2
Wesgra Corporation
Gebauer-Groom #52
October 3, 1991

6. Prior to commencement of the proposed drilling operations, plans for facilities for disposal of sanitary wastes at the drill site shall be submitted to the local health department. These drilling operations and any subsequent well operations must be conducted in accordance with applicable state and local health department regulations. A list of local health departments and copies of applicable regulations are available from the Department of Environmental Quality, Division of Drinking Water/Sanitation, telephone (801) 538-6159.
7. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-037-31579.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

tas
Enclosures
cc: Bureau of Land Management
J. L. Thompson
we14/1-8

ENTITY ACTION FORM - DOGM FORM 6

OPERATOR Wesgra Corporation

OPERATOR CODE N-1060

ADDRESS P.O. Box 310-367

PHONE NO. 801 683-2298

Mexican Hat, Utah 84531

OPERATORS MUST COMPLETE FORM UPON SPUDDING NEW WELL OR WHEN CHANGE IN OPERATIONS OR INTERESTS NECESSITATES CHANGE IN EXISTING ENTITY NUMBER ASSIGNMENT.

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
B	11004	11004	43-037-31579	Gebauer-Groom #52	7	42S	19E		San Juan	10-5-91	
COMMENTS: Fed. - Lease Field - Mexican Hat Unit - N/A Prop. Zone - DSCF (Entity added "11004" on 10-10-91) <i>for</i> N.E.											
COMMENTS:											
COMMENTS:											
COMMENTS:											
COMMENTS:											
COMMENTS:											

RECEIVED

OCT 09 1991

ACTION CODES: A - ESTABLISH NEW ENTITY FOR NEW WELL
 B - ADD NEW WELL TO EXISTING ENTITY
 C - RE-ASSIGN WELL FROM ONE EXISTING ENTITY TO ANOTHER EXISTING ENTITY
 D - RE-ASSIGN WELL FROM ONE EXISTING ENTITY TO A NEW ENTITY
 E - OTHER (EXPLAIN IN COMMENTS SECTION)
 (SEE INSTRUCTIONS)

DIVISION OF
OIL GAS & MINING

W. C. Stein
 SIGNATURE
 President 10-5-91
 TITLE DATE

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

(See other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0137
Expires August 31, 1985

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL:		OIL WELL <input type="checkbox"/>	GAS WELL <input type="checkbox"/>	DRY <input type="checkbox"/>	Other _____
b. TYPE OF COMPLETION:					
NEW WELL <input checked="" type="checkbox"/>		WORK OVER <input type="checkbox"/>	DEEP EN <input type="checkbox"/>	PLUG BACK <input type="checkbox"/>	DIFF. RESER. <input type="checkbox"/>
2. NAME OF OPERATOR					
WESGRA CORPORATION					
3. ADDRESS OF OPERATOR					
PO Box 367 MEXICAN HAT UTAH 84531					
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*					
At surface 1262' FROM NORTH LINE					
At top prod. interval reported below 2603 FROM EAST LINE					
At total depth					
14. PERMIT NO.		DATE ISSUED			
43-037-31579		10-03-91			
15. DATE STUDDED	16. DATE T.D. REACHED	17. DATE COMPL. (Ready to prod.)	18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*		
10-04-91	10-25-91	12-10-91	4371		
20. TOTAL DEPTH, MD & TVD	21. PLUG, BACK T.D., MD & TVD	22. IF MULTIPLE COMPL., HOW MANY*	23. INTERVALS DRILLED BY	ROTARY TOOLS	CABLE TOOLS
1290			→	ROTARY	
24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*					25. WAS DIRECTIONAL SURVEY MADE
720-740 HNKRT per Dan Jarvis					
26. TYPE ELECTRIC AND OTHER LOGS RUN					27. WAS WELL CORED
SAMPLES ONLY					

28. CASING RECORD (Report all strings set in well)					
CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
10"	32#	30'	12 1/4	5 SACKS	
7"	26#	310'	9 1/2	28 SACKS	

29. LINER RECORD					30. TUBING RECORD		
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)

31. PERFORATION RECORD (Interval, size and number)				32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
				DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED

33. PRODUCTION							
DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (Producing or shut-in)	
12-15-91		PUMPING				POW	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
12-15-91	24		→	1 1/2 BBL			
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.		
		→					

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)	TEST WITNESSED BY
	JAN 03 1992

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED W. E. Spreen TITLE PRESIDENT DATE 12-20-91

*(See Instructions and Spaces for Additional Data on Reverse Side)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

Form approved.
Budget Bureau No. 1004-0137
Expires August 31, 1985

(See other
instructions on
reverse side)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☐ DRY ☐ OTHER ☐
b. TYPE OF COMPLETION: NEW WELL ☒ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. RESVR ☐ Other _____

2. NAME OF OPERATOR
WESGRA CORPORATION

3. ADDRESS OF OPERATOR
PO Box 367 MEXICAN HAT UTAH 84531

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface 1262' FROM NORTH LINE
At top prod. interval reported below 2603 FROM EAST LINE
At total depth

14. PERMIT NO. 43-037-31579 DATE ISSUED 10-03-91

15. DATE SPUNDED 10-04-91 16. DATE T.D. REACHED 10-25-91 17. DATE COMPL. (Ready to prod.) 12-10-91 18. ELEVATIONS (OF RKB, RT, CB, ETC.)* 4371

20. TOTAL DEPTH, MD & TVD 1290 21. PLUG, BACK T.D., MD & TVD 22. IF MULTIPLE COMPL., HOW MANY* 23. INTERVALS DRILLED BY ROTARY TOOLS CABLE TOOLS → ROTARY

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*
720-740 HNKRT per Dan Jarvis
26. TYPE ELECTRIC AND OTHER LOGS RUN SAMPLES ONLY

25. CASING RECORD (Report all strings set in well)					
CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
10"	32#	30'	12 1/4	5 SACKS	
7"	26#	310'	9 1/2	28 SACKS	

29. LINER RECORD					30. TUBING RECORD		
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)

31. PERFORATION RECORD (Interval, size and number)				32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
				DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED

33.* PRODUCTION							
DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (Producing or shut-in)	
12-15-91		PUMPING				POW	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
12-15-91	24		→	172 BBL			
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	BIG GRAVITY APP. (CORR.)	
		→				RECEIVED	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) TEST WITNESSED BY JAN 03 1992

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records
SIGNED W. E. Spreen TITLE PRESIDENT DATE 12-20-91

*(See Instructions and Spaces for Additional Data on Reverse Side)

INSTRUCTIONS

This form should be completed in compliance with the Utah Oil and Gas Conservation General Rules. If not filed prior to this time, all logs, tests, and directional surveys as required by Utah Rules should be attached and submitted with this report.

ITEM 18: Indicate which elevation is used as reference for depth measurements given in other spaces on this form and on any attachments.

ITEMS 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

ITEM 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

ITEM 33: Submit a separate completion report on this form for each interval to be separately produced (see instruction for items 22 and 24 above).

37. SUMMARY OF POROUS ZONES:

Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries.

38. GEOLOGIC MARKERS

Formation	Top	Bottom	Description, contents, etc.	Name	Top	
					Meas. Depth	True Vert. Depth
Goodridge	220'	245'				
shafer	286'	290'				
Mendenhall	360'	375'				
little loop	478'	520'				
Goose neck	646'	660'				
horne lime	965'	1005'				
Gorbic shale	1140'	1180'				
upper and lower desert Creek	1180'	1290'				

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING
 355 West North Temple, 3 Triad, Suite 350, Salt Lake City, UT 84180-1203

Page 3 of 4

MONTHLY OIL AND GAS PRODUCTION REPORT

OPERATOR NAME AND ADDRESS:

BILL SKEEN
 WESGRA CORPORATION
 PO BOX 367
 MEXICAN HAT UT 84531

UTAH ACCOUNT NUMBER: N1060REPORT PERIOD (MONTH/YEAR): 8 / 95AMENDED REPORT ☐ (Highlight Changes)

Well Name							Producing Zone	Well Status	Days Oper	Production Volumes		
API Number	Entity	Location				OIL(BBL)				GAS(MCF)	WATER(BBL)	
GEBAUER-GROOM 33							GDRSD					
4303731090	11004	42S	19E	7								
GEBAUER-GROOM 12-A							HNKRT					
4303731212	11004	42S	19E	7								
GEBAUER-GROOM 30							HNKRT					
4303731390	11004	42S	19E	7								
GEBAUER-GROOM 29							HNKRT					
4303731420	11004	42S	19E	7								
GEBAUER-GROOM 52							HNKRT					
4303731579	11004	42S	19E	7								
GEBAUER-GROOM 58							LTLLP					
4303731583	11004	42S	19E	7								
GEBAUER-GROOM 60							LTLLP					
4303731585	11004	42S	19E	7								
GEBAUER-GROOM 54							LTLLP					
4303731678	11004	42S	19E	7								
GEBAUER-GROOM 70							LTLLP					
4303731683	11004	42S	19E	7								
GEBAUER-GROOM 71							LTLLP					
4303731685	11004	42S	19E	7								
GEBAUER-GROOM 3							LTLLP					
4303731694	11004	42S	19E	7								
GEBAUER-GROOM 72							GDRSD					
4303731704	11004	42S	19E	7								
GEBAUER-GROOM 74							LTLLP					
4303731707	11004	42S	19E	7								
TOTALS												

COMMENTS:

I hereby certify that this report is true and complete to the best of my knowledge.

Date: _____

Name and Signature: _____

Telephone Number: _____

Form 3160-5
(June 1990)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTFORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SEP 20 1995

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Wesgra Corporation

3. Address and Telephone No.

P.O. Box 310367, Mexican Hat Utah 84531

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

17 small producing oil wells in Sec 8, and 7
lease- Goodridge Trust

5. Lease Designation and Serial No.

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐
- Notice of Intent
-
- ☐
- Subsequent Report
-
- ☐
- Final Abandonment Notice

TYPE OF ACTION

- ☐
- Abandonment
-
- ☐
- Recompletion
-
- ☐
- Plugging Back
-
- ☐
- Casing Repair
-
- ☐
- Altering Casing
-
- ☐
- Other

- ☐
- Change of Plans
-
- ☐
- New Construction
-
- ☐
- Non-Routine Fracturing
-
- ☐
- Water Shut-Off
-
- ☐
- Conversion to Injection
-
- ☐
- Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Gentlemen Men:

As of Sept 1, 1995, Wesgra Corporation becomes the property
of Mr. Clint Howell long time partner in the firm.The operation will continue to operate under the same name
and the address will remain the same.It has always been a pleasure dealing with you folks, you have
always helpful and corprorative.

Thanks

W.E. Skeen

W. E. (Bill) Skeen

President, Wesgra Corporation

Clint Howell

Clint Howell Ph Ge. 801-683-2298

new president

all corrispondance will be address to the address listed above

14. I hereby certify that the foregoing is true and correct

Signed

Title

Date

(This space for Federal or State office use)

Approved by

Title

Date

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

***NEW OWNER ONLY!**

Attach all documentation received by the division regarding this change.
Initial each listed item when completed. Write N/A if item is not applicable.

Routing:

1	DEC 7-LWP
2	DEC 8-PL
3	VLD 9-SJ
4	DEC 10-FILE
5	PRM
6	OTIS

- ☒ Change of Operator (well sold) ☐ Designation of Agent
☐ Designation of Operator ☐ Operator Name Change Only

The operator of the well(s) listed below has changed (EFFECTIVE DATE: 9-1-95)

TO (new operator) WESGRA CORPORATION
(address) PO BOX 367
MEXICAN HAT UT 84531
CLINT HOWELL (NEW OWNER)
phone (801) 683-2298
account no. N1060

FROM (former operator) WESGRA CORPORATION
(address) PO BOX 367
MEXICAN HAT UT 84531
BILL SKEEN
phone (405) 521-8960
account no. N1060

Well(s) (attach additional page if needed):

Name: **SEE ATTACHED**	API: <u>Q3731579</u>	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____	Twp _____	Rng _____	Lease Type: _____

OPERATOR CHANGE DOCUMENTATION

- Yes 1. (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (attach to this form). (Rec'd 9-20-95)
- Yes 2. (Rule R615-8-10) Sundry or other legal documentation has been received from new operator (Attach to this form). (Rec'd 9-20-95)
- N/A 3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is company registered with the state? (yes/no) _____ If yes, show company file number: _____
- N/A 4. (For Indian and Federal Wells ONLY) The BLM has been contacted regarding this change (attach Telephone Documentation Form to this report). Make note of BLM status in comments section of this form. Management review of **Federal and Indian** well operator changes should take place prior to completion of steps 5 through 9 below.
- N/A 5. Changes have been entered in the Oil and Gas Information System (Wang/IBM) for each well listed above.
- N/A 6. Cardex file has been updated for each well listed above.
- N/A 7. Well file labels have been updated for each well listed above.
- N/A 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission.
- Yes 9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

- LC 1. (Rule R615-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) (no) (If entity assignments were changed, attach copies of Form 6, Entity Action Form).
- N/A 2. State Lands and the Tax Commission have been notified through normal procedures of entity changes.

BOND VERIFICATION (Fee wells only) IDLEC #007230 / \$10,000 "Zions First Nat'l Bank"

- LC 1. (Rule R615-3-1) The new operator of any fee lease well listed above has furnished a proper bond.
2. A copy of this form has been placed in the new and former operators' bond files. * Upon compl. of routing.
- LC 3. The former operator has requested a release of liability from their bond (yes/no) (yes). Today's date Sept. 21, 1995. If yes, division response was made by letter dated Sept. 25, 1995.

LEASE INTEREST OWNER NOTIFICATION RESPONSIBILITY

- N/A 1. (Rule R615-2-10) The former operator/lessee of any fee lease well listed above has been notified by letter dated _____ 19____, of their responsibility to notify any person with an interest in such lease of the change of operator. Documentation of such notification has been requested. OT 5
9/26/95
- N/A 2. Copies of documents have been sent to State Lands for changes involving State leases.

FILMING

- ✓ 1. All attachments to this form have been microfilmed. Date: October 20 1995.

FILING

1. Copies of all attachments to this form have been filed in each well file.
2. The original of this form and the original attachments have been filed in the Operator Change file.

COMMENTS